

1-1 By: Craddick (Senate Sponsor - Duncan) H.B. No. 1969  
1-2 (In the Senate - Received from the House April 22, 2013;  
1-3 April 22, 2013, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 10, 2013, reported favorably by  
1-5 the following vote: Yeas 5, Nays 0; May 10, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	<u>Hinojosa</u>	X		
1-9	<u>Nichols</u>	X		
1-10	<u>Garcia</u>	X		
1-11	<u>Paxton</u>	X		
1-12	<u>Taylor</u>	X		

1-13 A BILL TO BE ENTITLED  
1-14 AN ACT

1-15 relating to the McCamey County Hospital District; authorizing the  
1-16 issuance of bonds; authorizing the imposition of a tax.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Section 1058.051(b), Special District Local Laws  
1-19 Code, as effective April 1, 2013, is amended to read as follows:

1-20 (b) Directors [~~Unless four-year terms are established under~~  
1-21 ~~Section 285.081, Health and Safety Code, directors~~] serve staggered  
1-22 four-year [~~two-year~~] terms with the terms of two or three directors  
1-23 expiring each odd-numbered year as appropriate.

1-24 SECTION 2. Section 1058.052, Special District Local Laws  
1-25 Code, as effective April 1, 2013, is amended to read as follows:

1-26 Sec. 1058.052. NOTICE OF ELECTION. Notice [~~At least 30 days~~  
1-27 ~~before the date of a directors' election, notice~~] of an [~~the~~]  
1-28 election of directors must be published in accordance with Section  
1-29 4.003, Election Code, [one-time] in a newspaper of general  
1-30 circulation in Upton County.

1-31 SECTION 3. Section 1058.053(a), Special District Local Laws  
1-32 Code, as effective April 1, 2013, is amended to read as follows:

1-33 (a) To qualify for election to the board, a person must:

1-34 (1) be at least 18 years of age;

1-35 (2) have been a resident of the district for at least  
1-36 two years; and

1-37 (3) be a qualified voter of the district [~~, and~~

1-38 [~~(4) own taxable property in the district and have~~  
1-39 ~~duly rendered that property for taxation]~~.

1-40 SECTION 4. Sections 1058.059(a) and (b), Special District  
1-41 Local Laws Code, as effective April 1, 2013, are amended to read as  
1-42 follows:

1-43 (a) The board shall appoint a qualified person to serve  
1-44 [~~general manager to be known~~] as the district administrator.

1-45 (b) [~~The district administrator must be a qualified~~  
1-46 ~~practitioner of medicine or be specifically trained for work of~~  
1-47 ~~that type.~~] The district administrator may not be a director.

1-48 SECTION 5. The heading to Section 1058.106, Special  
1-49 District Local Laws Code, as effective April 1, 2013, is amended to  
1-50 read as follows:

1-51 Sec. 1058.106. CONSTRUCTION [~~AWARD OF CERTAIN~~] CONTRACTS.

1-52 SECTION 6. Section 1058.106(a), Special District Local Laws  
1-53 Code, as effective April 1, 2013, is amended to read as follows:

1-54 (a) The board, on behalf of the district, may enter into a  
1-55 construction contract that exceeds the amount provided by Section  
1-56 271.024, Local Government Code, [\$2,000] only after advertising in  
1-57 the manner provided by Subchapter B, Chapter 271, Local Government  
1-58 Code [~~with the lowest qualified bidder~~].

1-59 SECTION 7. Section 1058.152(c), Special District Local Laws  
1-60 Code, as effective April 1, 2013, is amended to read as follows:

1-61 (c) Any district resident [~~taxpayer~~] is entitled to:

2-1 (1) appear at the time and place designated in the  
2-2 notice; and  
2-3 (2) be heard regarding any item included in the  
2-4 proposed budget.

2-5 SECTION 8. Section 1058.153, Special District Local Laws  
2-6 Code, as effective April 1, 2013, is amended to read as follows:

2-7 Sec. 1058.153. FISCAL YEAR. (a) The district's fiscal  
2-8 year begins on October 1 and ends on September 30, unless otherwise  
2-9 established by the board.

2-10 (b) The fiscal year may not be changed:

2-11 (1) during a period that revenue bonds of the district  
2-12 are outstanding; or

2-13 (2) more than once in a 24-month period.

2-14 SECTION 9. Sections 1058.156(a) and (b), Special District  
2-15 Local Laws Code, as effective April 1, 2013, are amended to read as  
2-16 follows:

2-17 (a) The board shall designate one or more banks [~~in the~~  
2-18 ~~district~~] to serve as a depository for district money.

2-19 (b) All district money, other than money invested in  
2-20 accordance with Chapter 2256, Government Code, and money  
2-21 transmitted to a bank for payment of bonds or obligations issued or  
2-22 assumed by the district, shall be immediately deposited on receipt  
2-23 with a depository bank~~[, except that sufficient money must be~~  
2-24 ~~remitted to an appropriate bank to pay the principal of and interest~~  
2-25 ~~on the district's outstanding bonds, or other obligations assumed~~  
2-26 ~~by the district, on or before the maturity date of the principal and~~  
2-27 ~~interest].~~

2-28 SECTION 10. Subchapter E, Chapter 1058, Special District  
2-29 Local Laws Code, as effective April 1, 2013, is amended by adding  
2-30 Sections 1058.206, 1058.207, 1058.208, and 1058.209 to read as  
2-31 follows:

2-32 Sec. 1058.206. REVENUE BONDS. (a) The board may issue  
2-33 revenue bonds to:

2-34 (1) purchase, construct, acquire, repair, renovate,  
2-35 or equip buildings and improvements for hospital purposes; or

2-36 (2) acquire sites to be used for hospital purposes.

2-37 (b) The bonds must be payable from and secured by a pledge of  
2-38 all or part of the revenue derived from the operation of the  
2-39 district's hospital system, including district facilities.

2-40 (c) The bonds may be additionally secured by a mortgage or  
2-41 deed of trust lien on all or part of district property.

2-42 (d) The bonds must be issued in the manner and in accordance  
2-43 with the procedures and requirements prescribed by Sections  
2-44 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health  
2-45 and Safety Code, for issuance of revenue bonds by a county hospital  
2-46 authority.

2-47 Sec. 1058.207. REFUNDING BONDS. (a) The board may issue  
2-48 refunding bonds to refund outstanding indebtedness issued or  
2-49 assumed by the district.

2-50 (b) A refunding bond may be:

2-51 (1) sold, with the proceeds of the refunding bond  
2-52 applied to the payment of the indebtedness to be refunded; or

2-53 (2) exchanged wholly or partly for not less than a  
2-54 similar principal amount of outstanding indebtedness.

2-55 Sec. 1058.208. ADDITIONAL MEANS OF SECURING REPAYMENT OF  
2-56 BONDS. In addition to the authority to issue general obligation  
2-57 bonds and revenue bonds under this subchapter, the board may  
2-58 provide for the security and payment of district bonds from a pledge  
2-59 of a combination of ad valorem taxes as authorized by Section  
2-60 1058.202 and revenue and other sources as authorized by Section  
2-61 1058.206.

2-62 Sec. 1058.209. USE OF BOND PROCEEDS. The district may use  
2-63 the proceeds of bonds issued under this subchapter to pay:

2-64 (1) any expense the board determines is reasonable and  
2-65 necessary to issue, sell, and deliver the bonds;

2-66 (2) interest payments on the bonds during a period of  
2-67 acquisition or construction of a project or facility to be provided  
2-68 through the bonds, not to exceed five years;

2-69 (3) costs related to the operation and maintenance of

- 3-1 a project or facility to be provided through the bonds:
- 3-2 (A) during an estimated period of acquisition or
- 3-3 construction, not to exceed five years; and
- 3-4 (B) for one year after the project or facility is
- 3-5 acquired or constructed;
- 3-6 (4) costs related to the financing of the bond funds,
- 3-7 including debt service reserve and contingency funds;
- 3-8 (5) costs related to the bond issuance;
- 3-9 (6) costs related to the acquisition of land or
- 3-10 interests in land for a project or facility to be provided through
- 3-11 the bonds; and
- 3-12 (7) construction costs of a project or facility to be
- 3-13 provided through the bonds, including the payment of related
- 3-14 professional services and expenses.

3-15 SECTION 11. Section 1058.253, Special District Local Laws  
 3-16 Code, as effective April 1, 2013, is amended to read as follows:

3-17 Sec. 1058.253. ~~[ASSESSMENT AND COLLECTION BY COUNTY]~~ TAX  
 3-18 ASSESSOR-COLLECTOR. The board may:

3-19 (1) appoint a tax assessor-collector for the district;  
 3-20 or

3-21 (2) contract for the assessment and collection of  
 3-22 taxes as provided by the Tax Code [~~Unless an election is held under~~  
 3-23 ~~Section 1058.254, the tax assessor-collector of Upton County shall~~  
 3-24 ~~assess and collect taxes imposed by the district].~~

3-25 SECTION 12. Chapter 1058, Special District Local Laws Code,  
 3-26 as effective April 1, 2013, is amended by adding Subchapter G to  
 3-27 read as follows:

3-28 SUBCHAPTER G. DISSOLUTION

3-29 Sec. 1058.301. DISSOLUTION; ELECTION. (a) The district  
 3-30 may be dissolved only on approval of a majority of the district  
 3-31 voters voting in an election held for that purpose.

3-32 (b) The board may order an election on the question of  
 3-33 dissolving the district and disposing of the district's assets and  
 3-34 obligations.

3-35 (c) The board shall order an election if the board receives  
 3-36 a petition requesting an election that is signed by at least 15  
 3-37 percent of the registered voters in the district.

3-38 (d) The order calling the election must state:

3-39 (1) the nature of the election, including the  
 3-40 proposition to appear on the ballot;

3-41 (2) the date of the election;

3-42 (3) the hours during which the polls will be open; and

3-43 (4) the location of the polling places.

3-44 Sec. 1058.302. NOTICE OF ELECTION. (a) The board shall  
 3-45 give notice of an election under this subchapter by publishing once  
 3-46 a week for two consecutive weeks a substantial copy of the election  
 3-47 order in a newspaper with general circulation in the district.

3-48 (b) The first publication of the notice must appear not  
 3-49 later than the 35th day before the date set for the election.

3-50 Sec. 1058.303. BALLOT. The ballot for an election under  
 3-51 this subchapter must be printed to permit voting for or against the  
 3-52 proposition: "The dissolution of the McCamey County Hospital  
 3-53 District."

3-54 Sec. 1058.304. ELECTION RESULTS. (a) If a majority of the  
 3-55 votes in an election under this subchapter favor dissolution, the  
 3-56 board shall find that the district is dissolved.

3-57 (b) If a majority of the votes in the election do not favor  
 3-58 dissolution, the board shall continue to administer the district  
 3-59 and another election on the question of dissolution may not be held  
 3-60 before the first anniversary of the date of the most recent election  
 3-61 on the question of dissolution.

3-62 Sec. 1058.305. TRANSFER OR ADMINISTRATION OF ASSETS. (a)  
 3-63 If a majority of the votes in the election held under this  
 3-64 subchapter favor dissolution, the board shall:

3-65 (1) transfer the land, buildings, improvements,  
 3-66 equipment, and other assets that belong to the district to Upton  
 3-67 County or another governmental entity in Upton County; or

3-68 (2) administer the property, assets, and debts until  
 3-69 all money has been disposed of and all district debts have been paid

4-1 or settled.

4-2 (b) If the board makes the transfer under Subsection (a)(1),  
4-3 the county or entity assumes all debts and obligations of the  
4-4 district at the time of the transfer, and the district is dissolved.

4-5 (c) If Subsection (a)(1) does not apply and the board  
4-6 administers the property, assets, and debts of the district under  
4-7 Subsection (a)(2), the district is dissolved when all money has  
4-8 been disposed of and all district debts have been paid or settled.

4-9 Sec. 1058.306. IMPOSITION OF TAX AND RETURN OF SURPLUS  
4-10 TAXES. (a) After the board finds that the district is dissolved,  
4-11 the board shall:

4-12 (1) determine the debt owed by the district; and

4-13 (2) impose on the property included in the district's  
4-14 tax rolls a tax that is in proportion of the debt to the property  
4-15 value.

4-16 (b) On the payment of all outstanding debts and obligations  
4-17 of the district, the board shall order the secretary to return to  
4-18 each district taxpayer the taxpayer's pro rata share of all unused  
4-19 tax money.

4-20 (c) A taxpayer may request that the taxpayer's share of  
4-21 surplus tax money be credited to the taxpayer's county taxes. If a  
4-22 taxpayer requests the credit, the board shall direct the secretary  
4-23 to transmit the money to the county tax assessor-collector.

4-24 Sec. 1058.307. REPORT; DISSOLUTION ORDER. (a) After the  
4-25 district has paid all district debts and has disposed of all  
4-26 district money and other assets as prescribed by this subchapter,  
4-27 the board shall file a written report with the Commissioners Court  
4-28 of Upton County summarizing the board's actions in dissolving the  
4-29 district.

4-30 (b) Not later than the 10th day after the date the  
4-31 Commissioners Court of Upton County receives the report and  
4-32 determines that the requirements of this subchapter have been  
4-33 fulfilled, the commissioners court shall enter an order approving  
4-34 dissolution of the district and releasing the board from any  
4-35 further duty or obligation.

4-36 SECTION 13. Sections 1058.106(b), (c), (d), (e), and (f),  
4-37 1058.254, and 1058.255, Special District Local Laws Code, are  
4-38 repealed.

4-39 SECTION 14. (a) The election of the board of directors of  
4-40 the McCamey County Hospital District scheduled before the effective  
4-41 date of this Act to be held in May 2014 must be held, and the three  
4-42 directors elected at that election shall serve three-year terms.

4-43 (b) The election of the board of directors scheduled to be  
4-44 held in May 2015 must be held, and the directors elected at that  
4-45 election shall serve four-year terms.

4-46 (c) The directors elected at the elections to be held in May  
4-47 2017 and May 2019 shall serve four-year terms.

4-48 SECTION 15. This Act takes effect immediately if it  
4-49 receives a vote of two-thirds of all the members elected to each  
4-50 house, as provided by Section 39, Article III, Texas Constitution.  
4-51 If this Act does not receive the vote necessary for immediate  
4-52 effect, this Act takes effect September 1, 2013.

4-53 \* \* \* \* \*